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MAY 18 1954


**MEMORANDUM FOR:** Acting Deputy Director (Administration)

**SUBJECT :** Agency Financial Statement as of 31 March 1954

1. The presentation of this issue of the Agency Financial Statement continues the step-by-step improvement in the preparation and presentation of this report. During the third quarter of the fiscal year 1954, the Chart of Accounts has been amplified in order to reflect cash transfer items in transit between headquarters and the field and to establish an account for deferred credits.

2. Items contained in this report meriting brief comment are:

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If these obligations had been liquidated. This represents a much better picture than has existed in past years and reflects an improvement in budgetary and accounting control programs as well as cooperation on the part of the components of the Agency in putting these programs into effect. (See Part I, pages 1 and 2.)

b. A comparison of the distribution of obligations during the first nine months of appropriations for fiscal years 1954, 1953, and 1952 reveals a slight decrease percentage-wise in obligations in the Plans area with a corresponding increase in Administration. This trend results from the charging to Administration of Logistics support for the Plans area and does not reflect a shift in Agency spending from operations to administrative functions. The obligations for the Intelligence group show some variance with a percentage increase in 1953 over 1952 and a slight decrease in 1954 from 1953. Communications shows a decrease in obligations over the three-year period, due mainly to the fact that the nonrecurring cost of setting up new installations and purchase of communications equipment was incurred in 1952, whereas subsequent to that time the obligations reflect operating cost and maintenance. (See Part II, pages 10 and 13.)

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d. There has been a substantial decrease in advances since September, 1953. This results mainly from more prompt accountings through an improved follow-up system on delinquent accountings installed during the current fiscal year. (See Part III, page 17.)

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e. A decrease of [redacted] in the net equity in proprietary projects was recorded during this quarter. This decrease results largely from the write-off during this period of amounts charged to project [redacted] on the basis of accountings received by the Finance Division. (See Part III, page 17.)

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3. The report for the period ending 31 March 1954 is presented more promptly than past reports. This Office will continue to attempt to decrease further the time lag in the preparation of this report and to present more concise data for the information of management.



E. R. SAUNDERS  
Comptroller

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Attachments

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